

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N.W.
SUITE 200
WASHINGTON, D.C.

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

20006-2973

(202) 393-2266

FAX (202) 393-2156

OF COUNSEL
URBAN A. LESTER

July 16, 1996

20183
RECORDATION FILED 1426

JUL 17 1996 2:30 PM

U.S. DEPARTMENT OF TRANSPORTATION

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Memorandum of Lease, dated as of July 8, 1996, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: NationsBank of Texas, National Association
c/o NationsBanc Leasing Corporation
of North Carolina
NationsBank Plaza
101 South Tryon Street
NC1-002-38-20
Charlotte, North Carolina 28255-0001

Lessee: Port Terminal Railroad Association
501 Crawford, Suite 423
Houston, Texas 77002

A description of the railroad equipment covered by the enclosed document is:

three (3) diesel locomotives bearing road numbers 9601, 9603 and 9604.

RECEIVED
SURFACE TRANSPORTATION
BOARD

JUL 17 2 28 PM '96

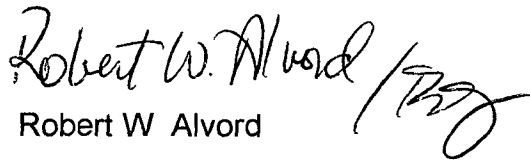
Counterspart - Betty H. Givara

Mr Vernon A. Williams
July 16, 1996
Page 2

Also enclosed is a check in the amount of \$21 00 payable to the order of the
Surface Transportation Board covering the required recordation fee

Kindly return one stamped copy of the enclosed document to the undersigned

Very truly yours,


Robert W Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20427-0001


7/17/96

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street NW., Ste. 200
Washington, DC., 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/17/96 at 2:30PM, and assigned recordation number(s). 20183.

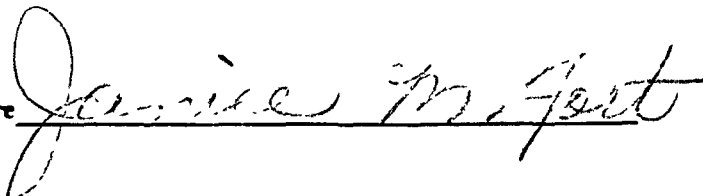
Sincerely yours,


Vernon A. Williams
Secretary

Enclosure(s)

\$21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT dated as of July 8, 1996, is between NATIONSBANK OF TEXAS, NATIONAL ASSOCIATION, a national banking association ("Lessor") and PORT TERMINAL RAILROAD ASSOCIATION, an association comprised of Burlington Northern Railroad Company, Houston Belt & Terminal Railway Company, Missouri Pacific Railroad Company, Southern Pacific Transportation Company and The Atchison, Topeka and Santa Fe Railroad Company ("Lessee").

WHEREAS, the Lessor and the Lessee are entering into that certain Lease Supplement and Acceptance Certificate No. 1 dated the date hereof (the "Lease Supplement"), which supplements that certain Master Equipment Lease Agreement dated as of January 1, 1996 (the "Lease Agreement"; the Lease Agreement as supplemented by the Lease Supplement, being referred to herein as the "Lease") between the Lessor and the Lessee, and places under lease three (3) MK 1500D diesel locomotives manufactured by MK Rail Corporation bearing Lessee's road nos. 9601, 9603 and 9604 and manufacturer's serial numbers 12017, 13010 and 18751, respectively, and all additions thereto, alterations thereof, replacements thereof and substitutions therefor;

IN WITNESS WHEREOF, the parties wish to show for the public record the aforesaid Lease, and accordingly have caused this Memorandum of Lease Agreement to be executed by their officers thereunto duly authorized, as of the date first above written. This memorandum may be executed in counterparts, each such counterpart shall be binding on both parties hereto, notwithstanding that both parties are not signatories to the same counterpart.

NATIONSBANK OF TEXAS, NATIONAL
ASSOCIATION

By: M. Randall Ross
Name: M. RANDALL ROSS
Title: SENIOR VICE PRESIDENT

PORT TERMINAL RAILROAD ASSOCIATION

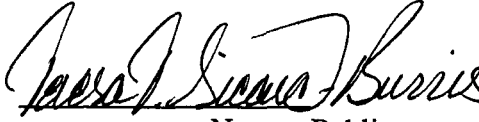
By: L. J. Jenkins, Jr.
Name: L. J. Jenkins, Jr.
Title: General Manager

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

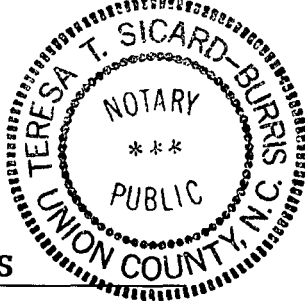
I, Teresa T. Sicard-Burris, a Notary Public in and for said state and county, do hereby certify that M. Randall Ross personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease Agreement.

Witness my hand and official seal this 8th day of July, 1996.


Notary Public

My commission expires: ~~My Commission Expires~~ 12-14-97

[NOTARY SEAL]




STATE OF TEXAS

COUNTY OF HARRIS

I, Tamela S. Kubicek, a Notary Public in and for said state and county, do hereby certify that L. J. Jenkins, Jr. personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease Agreement.

Witness my hand and official seal this 8th day of July, 1996.


Notary Public

My commission expires:

1-17-99

[NOTARY SEAL]

